



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

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## New Zealand

## Kiwifruit

## Situation and Outlook

## 2001

Approved by:

**David Young**

**U.S. Embassy**

Prepared by:

Stephen Benson

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**Report Highlights:** For the year ended March 31<sup>st</sup>, Zespri International (the New Zealand Kiwifruit Board) has released the final numbers for New Zealand's 2000/01 export kiwifruit production at 61.5 million (3.6kg/tray) or 221,400MT. This is up 13.5 percent on the previous season's 54.19 million trays or 195,084 MT. The key reasons for the increase were the successful launch of the Zespri Gold variety as a premium fruit, selling 8 percent more Zespri Green variety and 132 percent more organic product than the 1999/00. For 2001/02, Zespri's preliminary estimates of the crop just harvested show a total of 265,000 MT, up about 5 percent from last season.

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report

Wellington [NZ1], NZ

**PRODUCTION/TRADE**

For the year ended March 31, Zespri International (the New Zealand Kiwifruit Board) has released the final numbers for New Zealand's 2000/01 export kiwifruit production at 61.5 million (3.6kg/tray) or 221,400MT. This is up 13.5 percent on the previous season's 54.19 million trays or 195,084 MT. The key reasons for this were the successful launch of the Zespri Gold variety as a premium fruit, and selling 8 percent more Zespri Green variety and 132 percent more organic product than in 1999/00. Supplier returns of N.Z. \$437.5 million (US \$184 million) were up 6 percent on the previous season. This is based on a total volume of 63.7 million trays or 229,320 MT supplied, 22 percent higher than the previous season.

For the growers and suppliers the actual pool returns per tray are the performance measure. In 2000/01 the average Zespri Green kiwifruit return per tray to suppliers was N.Z. \$6.77 (US \$2.84) or 14 percent lower than the previous season mainly as a result of the smaller average size profile and the pressure of selling 10 percent higher volumes in tight markets. Zespri Gold kiwifruit returned an average of N.Z. \$8.83 (US \$3.49) per tray partially reflecting the 1,454 percent jump in commercially available volumes against the trail volumes of 1999/00. Zespri organic kiwifruit returned N.Z. \$7.11 (US \$2.98) per tray based on 3.1 million trays supplied, up 132 percent on the previous season, a result of a long selling season in a number of markets.

For 2001/02, Zespri's preliminary estimates of the crop just harvested show a total of 265,000 MT, up about 5 percent from last season. A crop this size would put exports at over 232,000 MT. Early 2001/02 trends show New Zealand's kiwifruit export volumes up 4 percent, but prices down due to strong Chilean volumes.

Zespri's three to four year target is for sales of 80 million trays of New Zealand grown fruit (up from 63 million this year) and 10 million trays of kiwifruit sourced from Italy, USA and Japan in its 12 month marketing program. Zespri has recently organized itself into two regions, one covering Asia and the Pacific, which will include all the Americas, and the other Europe and the Middle East. Imports in CY 2000 fell to virtually zero (22 MT of reimports) due to larger production and local fruit being kept longer in cold storage.

**MARKETING**

Zespri will take an aggressive approach to kiwifruit marketing this year. The company expects a tough marketing year for its recently picked kiwifruit. Zespri CEO said marketing tactics this year would be to hit hard and early to counter Chile, particularly with Green fruit. There would be an attractive pricing to ensure targets for Green and Gold were met. Zespri was aiming to increase market share in key markets, such as the United States, which is being rebuilt after anti-dumping problems in the 1990's. Statistics New Zealand data show New Zealand's kiwifruit exports to the US rose from 11,000 MT in 1998 to 13,000 MT in 1999 and to 16,500 MT in 2000 (all calendar year). The approach in the American market would be aggressive, as Zespri sought to recover its number one spot in kiwifruit supply. In major markets fruit would be sold quickly with the aim of avoiding fruit loss, damage and late season discounting which had been problems in 2000.

The annual report commented: "on the retail front, further consolidation and globalization of major chains is expected, along with increasing consumer segmentation. This will require Zespri to change the way it manages some of its customer relationships at a time when there is a need to grow the business significantly to secure premium shelf space for the increased volumes of our extended produce line in 2001 and beyond. Critical to retaining influence is a year-round presence of Zespri." The report also outlined these key challenges for the future:

- Optimizing the marketing and product returns from the delivery and selling of a multiple product offering.
- Achieving the right balance between the supply and demand of Zespri Green, Zespri Gold, and Zespri Organic Kiwifruit.
- Building a presence as an international year-round marketer, rather than a totally New Zealand sourced seasonal business.
- Encouraging a complementary working relationship with collaborative marketers.
- Securing long-term commercial relationships with suppliers and marketers.
- Nurturing new relationships, particularly offshore, to achieve business growth.
- Creating sustainable wealth for grower shareholders.
- Ensuring the creation of a capital base for the company at a level appropriate for a global business operating in a competitive environment.

#### PS&D TABLE - KIWIFRUIT

PSD Table						
Country	New Zealand					
Commodity	Kiwifruit				(HA)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Bearing Area	0	10500	0	10500	0	10500
Non-Bearing Area	0	250	0	250	0	250
TOTAL Area Planted	0	10750	0	10750	0	10750
TOTAL Area Harvested	0	10500	0	10500	0	10500
TOTAL Production	0	210000	0	253000	0	265000
Imports	0	400	0	22	0	20
TOTAL SUPPLY	0	210400	0	253022	0	265020
Exports	0	196393	0	221400	0	232000
Domestic Consumption	0	14007	0	31622	0	33020
TOTAL DISTRIBUTION	0	210400	0	253022	0	265020

